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**SACRAMENTO MAN PLEADS GUILTY TO
SCHEMES TO DEFRAUD OVER \$2.5 MILLION**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that ROSS ALLEN ROJEK, 37, of Sacramento, pleaded guilty this morning before U.S. District Court Judge Lawrence K. Karlton to wire fraud and securities fraud in connection with several fraud schemes in which he was involved. Following the hearing, ROJEK was returned to the custody of the U.S. Marshal, and his sentencing date has been set before Judge Karlton for September 21, 2004, at 9:30 a.m., where ROJEK faces a maximum sentence of twenty-five years in prison, and up to a \$500,000 fine.

The case is the product of an joint investigation undertaken by the Federal Bureau of Investigation, the Sacramento Police Department, and the California Department of Corporations.

According to Assistant United States Attorneys James P. Arguelles and S. Robert Tice-Raskin, who are prosecuting the case, ROJEK admitted in his plea that between the period of March of 2002 through April of 2004, he devised and participated in a scheme to solicit investments for a purported face-recognition technology system. As part of the scheme, ROJEK, while using aliases and operating under the business names of Face Information Technology LLC and Sentry Biometrics ("Face IT/Sentry"), sent potential investors a bogus "prospectus." This "prospectus" falsely claimed that the Face IT/Sentry "management team" consisted of three individuals, all of whom were fictitious, who purportedly had previously held high-level positions with Netscape Communications. As part of the scheme, ROJEK also "lulled" investors by meeting with them using a false name, and claiming that Face IT/Sentry was continuing to have success with its "unit trials" and would be filing patents shortly. In total, ROJEK was able to raise over \$1.2 million from Face IT/Sentry investors. As part of his plea, however, ROJEK admitted that no such face-recognition program ever existed, and none of the investor funds collected were used for this purpose.

In addition to the Face IT/Sentry scheme, ROJEK also admitted that, during the period of June of 2003 through April of 2004, he participated in a separate securities fraud scheme involving the sale of shares in a real estate investment trust known as American Equities Group, LLG ("AEG"). Defendant ROJEK and others acting on his behalf sent potential investors various solicitation materials related to AEG that falsely represented that AEG was in the business of acquiring distressed commercial property at below-market rates and then reselling or

releasing these properties for a profit. In fact, as ROJEK admitted, AEG had never attempted to or completed the purchase or sale of any commercial real estate. Individuals acting on behalf of ROJEK also would falsely represent to potential investors that investors would receive a high rate of return on their investment (frequently as high as 25% per year) and that returns would be paid quarterly. In fact, investors did not receive the promised high rate of return. In total, ROJEK and his associates were able to raise over \$1.3 million from AEG investors.

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